**Construction of HPF Plant**

451. SHRI VIREN J. SHAH: Will the PRIME MINISTER be pleased to state:

(a) what is the present position regarding the construction of 500 million plant of Hindustan Photo Films (HPF) at Uthagamandalam (Ooty);

(b) when the construction of HPF plant started and when it was likely to be completed and what was its estimated cost;

(c) what is the additional amount now required to complete the project and for setting outstandings and what are the details of its liabilities;

(d) what are the reasons for which the project could not be completed within the stipulated date; and

(e) whether there is any proposal under Government's consideration to sell off the HPF Plant and if so, what are the details in this regard and the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (SMT. KRISHNA SAHI): (a) to (e) The project of Hindustan Photo Films Manufacturing Company Limited (HPF), Ooty for manufacture of Polyester-based medical X-ray, industrial X-ray and graphic art films was originally approved in March '86 at a capital cost of Rs. 168.12 crores with October 1991 as the scheduled date of commissioning. The cost was revised to Rs. 290.60 crores in September, 1990.

The project is reported to be about 98 per cent mechanically complete. The provisional updated cost of the project is Rs. 523 crores. To complete the project physically and commence operations, the company needs minimum funds of Rs. 37 crores. The liabilities towards interest to Banks|institutions, payment to Collaborators etc. will require an additional amount of Rs. 108 crores.

The otal liabilities incurred on the new plant are as follows:—

| | |
|---|---|
| (i) Bonds issued to Public and F.Is. | .. Rs. 153 cr. |
| (ii) Bridge Loan from SBI | .. Rs. 76 cr. |
| (iii) FC Loan from SBI | .. Rs. 18 cr. |
| (iv) Working Capital Diversion | .. Rs .56 cr. |
| (v) Contractors | .. Rs. 13 cr. |
| (vi) Collaborators | .. Rs. 7 cr. |
| Total: | Rs. 323 cr. |

The project has been delayed for reasons, such as delay in commencement of civil works, delay in the clearance by the Forest Department, paucity of funds and management failures.

A High Level Committee appointed by the Government is looking into the various aspects of the future of the project|company.

**Implementation of new industrial policy**

452. SHRI S. S. AHLUWALIA: Will the PRIME MINISTER be pleased to state:

(a) whether it is a fact that the new Industrial policy of Government has not made much headway mainly because of lukeworm response from the State Governments;

(b) if so, what are the details thereof;

(c) whether Government have identified various factors responsible for the slow implementation of Industrial policy at the State level;

(d) if so, what are the details thereof; and

(e) what remedial action Government proposed to take in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (SMT. KRISHNA SAHI): (a) to (e) No, Sir. There has been significant rise in investment intentions, both domestic and foreign, after

the announcement of the New Industrial Policy.

**Performance of industries in core sector**

453. SHRI S. S. AHLUWALIA: Will te PRIME MINISTER be pleased to state:

(a) whether Government have reviewed the performance of Industries in the core sectors like Power, Cement, Coal, Steel Heavy Engineering, etc. after the commencement of New Industrial Policy;

(b) if so, what are the emerging trends of such Industries, industry-wise; and

(c) what action Government have taken to boost up the Industrial production in the core sector?

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (SMT. KRISHNA SAHI): (a) The Standing Committee of Secretaries on Industrial Infrastructure periodically reviews the performance of the industries in the core sector.

(b) A statement is enclosed. (See below).

(c) Then Government has taken various measures to boost industrial production in the core sector. These measures include dereservation of sectors such as steel and heavy engineering which were earlier reserved for the public sctor, in order to encourage the private sector to supplement Government efforts in these areas; five year tax holiday for private investment in generation and distribution of power; increase in Central Plan Outlay for infrastructure; reduction in import duty on machinery for power, coal, petroleum refineries and specified raw materials for telecom sector. Private Sector participation has also been allowed in exploration and distribution in petroleum sector ad for participation in service in the telecom sector.

**Statement**

*Performance of infrastructure industries*

| S. No. | Industry | April-Mar. 1993-94 | April-Jun. 1994 |
|---|---|---|---|
| | | April-Mar. 1992-93 | April-Jun. 1993 |
| 1 | Electricity | 7.3 | 6.7 |
| | (a) Thermal Incl. Nucl. | 9.3 | 9.4 |
| | (b) Hydro | 0.6 | —3.3 |
| 2 | Coal | 3.3 | 2.2 |
| 3 | S. Steel | 5.4 | 4.7 |
| 4 | Crude Petroleum | 0.2 | 7.8 |
| 5 | Pet. Refinery Produ. | 1.6 | 1.5 |
| 6 | Cement | 6.8 | 4.0 |
| | Infrastructure Industries | 5.3 | 5.3 |